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## Canada

### Agricultural Situation

### This Week in Canadian Agriculture, Issue 22 2008

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**Report Highlights:**

Canada Expresses Disappointment with U.S. COOL \* Canadian Government Disappointed by WTO Impasse; Will Look to Bilateral Opportunities \* Emerald Ash Borer Found in Eastern Ontario \* Canada's Large Farms Dominate Revenue and Profits

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Includes PSD Changes: No  
Includes Trade Matrix: No  
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This Week in Canadian Agriculture is a weekly review of Canadian agricultural industry developments of interest to the U.S. agricultural community. The issues summarized in this report cover a wide range of subject matter obtained from Canadian press reports, government press releases, and host country agricultural officials and representatives.

*Disclaimer:* Any press report summaries in this report are included to bring U.S. readership closer to the pulse of Canadian developments in agriculture. In no way do the views and opinions of these sources reflect USDA's, the U.S. Embassy's, or any other U.S. Government agency's point of view or official policy.

**CANADA EXPRESSES DISAPPOINTMENT WITH U.S. COOL:** One day after USDA released the published rule on the implementation of the mandatory country-of-origin labeling (COOL), Canada's Agriculture Minister Gerry Ritz expressed his disappointment. "The Government of Canada is disappointed with the U.S. COOL legislation, and remains concerned that it may discriminate against Canadian products," Ritz said. "We will analyze the recently released rule to determine the economic impacts on integrated North American markets". In a press release Ritz said that since the Canada-U.S. Free Trade Agreement, and then the North American Free Trade Agreement, trade between Canada and the U.S. has tripled. Eliminating obstacles to trade has contributed to mutually-beneficial supply chains, making both countries more competitive domestically and internationally. The Government of Canada understands that this new rule could have an impact on highly integrated sectors like the beef and pork sectors. "The Government of Canada will continue to work with industry and the provinces and territories to minimize any impact on Canadian farmers and ranchers," said Minister Ritz. "Should the implementation of the rule result in undue restrictions on the exportation of any products or animal from Canada, the Government will have to consider its options." Ritz added that as it did in 2003, 2005 and 2007, Canada will submit comments to the U.S. Federal Register, outlining its views on the COOL interim final rule.

**CANADIAN GOVERNMENT DISAPPOINTED BY WTO IMPASSE; WILL LOOK TO BILATERALS FOR EXPORT OPPORTUNITIES:** Canada's Trade Minister, Michael Fortier said in a press release that Canada was disappointed that the Doha Round trade negotiations had been suspended but that Canada would continue to look for trade opportunities in bilateral agreements. "Canada is a trading nation, and the growth and prosperity of our manufacturers, service providers and agricultural producers are improved by access to new markets," stated Minister Fortier. "Despite the impasse, (Canada) will continue to press for new trade opportunities, through bilateral agreements and renewed efforts at the multilateral level, to continue to build the strong Canadian economy." Agriculture Minister Ritz added, "Canada entered the WTO talks with a balanced agricultural policy to deliver real gains for all Canadian farm families. "We worked hard to expand markets for our exporters and we consistently stood up for supply-managed sectors, and will continue to do so. It is unfortunate that countries could not come together to level the international playing field for agricultural trade, but (Canada) will be there to move the WTO talks forward whenever they resume."

**EMERALD ASH BORER FOUND IN EASTERN ONTARIO:** The Canadian Food Inspection Agency (CFIA) has confirmed the presence of the Emerald Ash Borer in the City of Ottawa, Ontario. The pest is a highly destructive insect which kills ash trees and was introduced from Asia to the U.S. (Michigan, Illinois, Indiana and Ohio) and to Canada (Ontario) several years ago. There are currently six regulated areas in southwestern Ontario. The Ottawa finding marks the furthest east that the pest has been detected. The CFIA will be carrying out increased surveying of trees in the area to determine the extent of the infestation. The CFIA said that regulatory measures to control the pest will be taken based on the survey results. The CFIA is working with provinces and municipalities to limit the spread of the emerald ash borer and governments have increased their efforts to inform the public about the risks to Canada's forests of moving firewood from one region to another because firewood may harbor pests.

**CANADA'S LARGE FARMS DOMINATE REVENUE AND PROFITS:** According to data released by Statistics Canada, Canada's largest farms are growing in number and those with annual revenues of C\$500,000 or more, are becoming a major economic force in the country. The data also show that large farms are more profitable than smaller ones. While smaller farms dominate in numbers, large farms dominate both revenue and profits. Farms with annual revenue over C\$500,000 represented only 11.0% of all Canadian farms in 2005, but accounted for 55.0% of revenue. Below C\$250,000 in

annual revenue, the majority of farm family income came from off-farm sources. Within the \$250,000 to \$499,999 revenue category, on-farm income and government payments were the major earning sources for the farm families. Above C\$500,000 in annual revenue, net farm income became the largest contributor to family income. More information is available in Statistics Canada's July 2008 issue of *Vista on the Agri-food Industry and the Farm Community* ([21-004-XWE](#)).

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